

**Student Notes - Power Point Slides  
Underwriting Panel Satellite Broadcast  
June 22, 2005**

**PP 1**

*News flash!*

**Emergency requests**

Certificate of Eligibility

Winston-Salem Eligibility Center

Email [NCELGIB@vba.va.gov](mailto:NCELGIB@vba.va.gov)

**PP 2**

**VA Form 26-1880**

Request for a Certificate of Eligibility  
for VA Home Loan Benefit

**PP 3**

[www.homeloans.va.gov/](http://www.homeloans.va.gov/)

**PP 4**

**Objectives**

Understand and apply VA Credit Standards  
Reach well supported Underwriting Decisions

**PP 5**

**Discussion items:**

Prior & Automatic Loan Procedures  
Automated Underwriting Systems  
ARMS and Buydowns  
Credit Documentation

**PP 6**

**Discussion items cont.:**

Adverse Credit  
Income Documentation  
Types of Income  
Notices of Value (NOV)

## **PP 7**

### **Loan Types – Prior Approval**

Joint loans  
Veterans non-service connected pensions  
Veterans rated incompetent by VA  
IRRRL's to refinance delinquent VA loans

## **PP 8**

### **Supervised Lenders**

- Federal Savings banks
- National/State/Private banks
- Farm Credit System institutions
- Insurance companies
- Credit unions, and

## **PP 9**

### **Approved AUS Systems**

- Loan Prospector
- Desktop Underwriter
- CLUES
- Zippy

## **PP 10**

### **Alternative Financing**

ARM's  
Traditional  
Hybrid  
BUYDOWNS  
Permanent  
Temporary

## **PP 11**

### **Credit Reports**

3 file merged (MCR) or  
Residential Mtg Credit (RMCR)

120 days  
180 days (new const.)

**PP 12**

**Age of Credit Report**

Automatic: date of note

Prior Approval: Date rec'd in VA

**PP 13**

**Chapter 7 Bankruptcy**

Last 12 months: generally not qualify

12-24 months: in certain cases

Over 24 months: can disregard

**PP 14**

**Bankruptcy, 12-24 MONTHS**

Circumstances beyond control and

Subsequent favorable references

**PP 15**

**Chapter 7, 12-24 months (cont'd)**

Self-employed

Permanent position

No bad credit before/after

No misconduct

**PP 16**

**Chapter 13 Bankruptcy**

Satisfactory 12 months

Approval of trustee

**PP 17**

**FHA/ Conventional FC's**

On assumer: OK

On borrower: Bankruptcy guidelines

**PP 18**

**Foreclosures**

FHA/ Conventional:

On assumer: OK

On borrower: Bankruptcy guidelines

VA:

Must have enough entitlement

**PP 19****Basic Requirements for VA Guaranteed Loans**

- Borrower - satisfactory credit risk
- Borrower income - terms of repayment

**PP 20****Active Duty Military**

- Extending enlistment/reenlisted
- Offer of civilian employment
- Strong underwriting factors

**PP 21****Employment < 12 months**

- Probability of continued employment, and
- Related training and/or education

**PP 22****Effective Income**

- Pension/retirement
- Disability income
- Dividends from stock

**PP 23****Effective Income, cont.**

- Interest
- Royalties
- Public assistance programs, and
- Worker's Compensation

**PP 24****Customer Preference Items**

- Floor coverings
- Appliances
- Interior wall finish
- Fixtures
- Escrow items

## **PP 25**

### **New Construction**

- Fully complete & < 1 yr
- Fully complete exc. customer pref. items
- Not previously owner occupied

## **PP 26**

### **Maintenance and Utilities**

$$2000 \times .14 = \$280$$

## **PP 27**

Flood Insurance required in Zones

- A, AH, and AE
- V, VO, and VE

Flood insurance not required in Zones

- X
- C

## **PP 28**

### **Broadcast Summary**

- Prior & Automatic Loan Procedures
- Automated Underwriting Systems
- ARMS and Buydowns
- Credit Documentation

## **PP 29**

### **Summary cont.**

- Adverse Credit
- Income Documentation
- Types of Income
- Notices of Value (NOV)

## **PP 30**

### **Course Evaluations**

Email: [susan.wiedemann@vba.va.gov](mailto:susan.wiedemann@vba.va.gov)

FAX: 202.275.3135

Mail: Veterans Benefits Administration  
Loan Guaranty Services (264B)  
810 Vermont Avenue, NW  
Washington, DC 20420

**PP 31**

Next Broadcast:

**September 21, 2005, 12:00 EST**

Program Update for Realtor's

**PP 32**

**Multi Video Services**

1.800.800.DUBS

[www.va.homeloans.gov/](http://www.va.homeloans.gov/)